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Counterclaim Plaintiffs Joseph Abboud, Houndstooth Corp.
and Herringbone Creative Services, Inc.*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
JA APPAREL CORP.,

Plaintiff,

v.

JOSEPH ABOUD, HOUNDSTOOTH
CORP., and HERRINGBONE CREATIVE
SERVICES, INC.,

Defendants.

JOSEPH ABOUD, HOUNDSTOOTH
CORP., and HERRINGBONE CREATIVE
SERVICES, INC.,

Counterclaim Plaintiffs,

v.

JA APPAREL CORP. and MARTIN STAFF,

Counterclaim Defendants.
----- X

Civil Action No. 07 CV 07787 (DAB)

**DECLARATION OF LOUIS S.
EDERER IN SUPPORT OF CROSS-
MOTION FOR JUDGMENT ON THE
PLEADINGS ON COUNTS ONE
THROUGH SEVEN AND COUNT
NINE OF PLAINTIFF'S
COMPLAINT AND IN OPPOSITION
TO PLAINTIFFS' MOTION *IN*
LIMINE TO PRECLUDE
ADMISSION OF PAROL EVIDENCE**

EXHIBIT J

JOSEPH ABBOUD

JOSEPH ABBOUD
CHAIRMAN

March 1, 2000

PERSONAL AND CONFIDENTIAL

Mr. Roberto Jorio Fili
Chief Executive Officer
GFT SpA
corso Emilia 6
10152 Torino ITALY

via fax 011 39 011 239 7259

Dear Roberto,

Thank you for your letter of the 25th of February. I have given it a great deal of thought over the last few days and I would like to openly respond by giving you a clear idea of my position on all of the points you touched on, as well as my overall assessment of our negotiations.

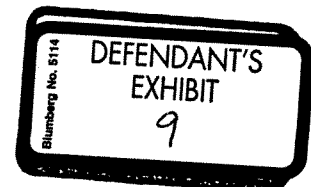
I would like to address your points as listed in your letter of February 25th:

1. Non-Competition Agreement

Although you had mentioned a non-competition agreement beyond the 5 years, there was no substantive discussion on this issue and there was no term or formula established. This was an open issue when we left Milan. I believe 5 years is more than sufficient for GFT/HdP to determine my personal value to the corporation. If, for whatever reasons, the corporation does not want to continue with my services after five years, I want the option to practice my skills should I choose to continue working in the future. It goes without saying that at no time will I have any rights to any of the Joseph Abboud trademarks. Here is where you must separate Joseph Abboud personally from the Joseph Abboud trademarks.

Quite frankly, I am surprised that the role that you proposed to me in the new letter was significantly different from the one we discussed on November 11, 1999. It is a role of little authority and it clearly diminishes my opportunity to be effective and vital in the business. Our mutually signed letter states:

JOSEPH ABBOUD WORLDWIDE 49 WEST 57TH STREET, NEW YORK, NY 10019
TEL 212 223 5898 FAX 212 223 5105



DIN00780

G) I would personally want all creative, marketing, advertising and PR teams to report directly to me in order to implement the vision of the company for future growth in order to be personally effective while maintaining financial disciplines and compatibility.

This new agreement is fundamentally different than what was discussed in New York. I hope you can see the disparity that I have outlined before you which could be extremely frustrating for both parties. I will commit to the five years, but I do not believe that any restriction beyond that is reasonable. That does not preclude us from revisiting this issue during the five year term and extending our relationship with mutually agreeable terms. I believe this is the best formula to keep both parties focused on each other for a longer period of time and ensure our mutual commitment to this business.

2. 57th Street Offices

On the issue of the 57th Street offices, as an individual I do not have the need for corporate offices. However, there are still 29 licenses that need creative input, as well as ongoing information regarding the Joseph Abboud brand. There is state-of-the-art equipment to provide those services and we have a responsibility to keep an ongoing communication with all of them. Thus, I think we really need to take a look at a transition arrangement that would permit a close out or shut down of the offices on a timely basis. As I believe the lease is on very favorable terms, I think close out and shutdown should not be a problem.

I clearly understand that you want to purchase trademarks only, but this location does support all other Joseph Abboud businesses including General Motors, and as a practical matter, this makes complete sense. Also, to clarify matters, we never had a direct conversation on this because my position has always been the same.

3. Employees of Joseph Abboud Worldwide

Regarding the employees of Joseph Abboud Worldwide, this is a small, well organized staff who provide an updated flow of information on a daily basis. I have purposefully kept the headcount down with the anticipation of finalizing our agreement. I believe they are well trained and would surely make the transition go much more smoothly.

DIN00781

Roberto, you have been a great supporter of the Joseph Abboud business, which I truly appreciate and I respect the offer you have put forth. However, for me, this is a decision based on the following three issues:

- 1) **economic**, based on our valuation;
- 2) **emotional**, because I am relinquishing my name (albeit for a large sum) which I have worked toward building since I entered this industry full time in 1972, 28 years ago; and,
- 3) **lifestyle**, which is all about the quality of my life and work. I have a great deal to offer provided the forum is right. I told you once before in New York that if you used me correctly, that I could contribute a great deal in so many areas. The proposal as now stated gives me no authority to use my talents.

Based on all of the above, I hope I have clarified my concerns regarding all the outstanding issues. I do not want these negotiations to become adversarial since I view this as a great opportunity for both of us.

In the spirit of moving forward, I believe we must resolve these issues as soon as possible otherwise it will be necessary for both of us to review other options. I am also aware that you have other opportunities and priorities that must be addressed.

Very best regards,

A handwritten signature in black ink, appearing to be 'J. Abboud', with a large loop at the end of the signature.

DIN00782